

EXHIBIT R



02026729

As filed with the Securities and Exchange Commission on March 29, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

MAR 29 2002

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FORM 20-F

(Mark One)

- ☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)
OF THE SECURITIES EXCHANGE ACT OF 1934
- ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2001
- ☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 0-38030 1-14974

THOMSON multimedia

(Exact name of Registrant as specified in its charter)

Not applicable
(Translation of Registrant's
name into English)

Republic of France
(Jurisdiction of incorporation
or organization)

46, quai Alphonse Le Gallo
92100 Boulogne Billancourt
(Address of principal executive offices)

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THOMSON
FINANCIAL

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registeredName of each exchange on
which each class is to be registered

Common Stock, nominal value € 3.75 per share, and American
Depository Shares, each representing one share
of Common Stock

New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or
common stock as of the close of the period covered by the annual report:

Common Stock, nominal value € 3.75 per share: 265,113,508

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for
such shorter period that the Registrant was required to file such reports), and (2) has been subject
to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark which financial statement item the Registrant has elected to follow:

Item 17 ☐Item 18 ☒

Page 1 of 223 pages. Exhibit index on page 103.

ITEM 4 — INFORMATION ON THE COMPANY

A — History and Development of the Company

Company Profile

Legal and Commercial name:

THOMSON multimedia S.A.

Registered office address:

THOMSON multimedia
46, quai Alphonse Le Gallo
92100 Boulogne-Billancourt France
Tel.: 33 (0) 1 41 86 50 00
Fax: 33 (0) 1 41 86 58 59
E-mail: webmasterhq@thmulti.com

Name and address of agent for service of process in the U.S.:

THOMSON multimedia, Inc.
10330 North Meridian Street
Indianapolis, IN 46290

Domicile, legal form and applicable legislation: Thomson is a French corporation (*société anonyme*) with a Board of Directors, governed by the French Commercial Code (*Livre II du Code de Commerce*) pertaining to corporations and by all laws and regulations pertaining to corporations.

Date of incorporation and length of life of the Company: Thomson was formed on August 24, 1985. It was registered on November 7, 1985 for a term of 99 years, expiring on November 6, 2084.

Fiscal year: January 1 to December 31.

We provide a wide range of technologies, systems, finished products and services, with a particular focus on video, to consumers and professionals in the entertainment and media industries. In recent years we have expanded beyond our traditional consumer electronics activities to reposition ourselves as a solutions provider present on each link of the video chain. In fiscal year 2001, we generated net sales of € 10.5 billion. At December 31, 2001, we had approximately 64,000 employees in more than thirty countries.

The Video Chain

The video chain covers the space over which video images are developed, distributed and accessed and across which the players in the entertainment and media industries interact. We rely upon our technological expertise, the breadth of our hardware and service offerings, the reputation and position of our brands and our network of leading partners to serve the needs of customers at each of the three key links in the video chain:

- *content development*, the first link and entry point in the video chain, comprises products and services that enable the capture, creation, post-production, preparation and management of multimedia content consisting of video images and associated sound and data. Customers are primarily film studios and other content creators as well as broadcasters. Their needs range from film colorization and digital post-production services, to digital broadcast equipment and systems integration.
- *content distribution*, the middle link in the chain, involves products and services that together enable content to be transmitted from the creator to the end-consumer for use typically in the movie theater or in the home. Key customers include film studios, software and game

audio products, VHS tapes and DVDs. Most of these manufacturing facilities are located in low-cost countries such as China, Mexico, Poland and Thailand, which gives us a competitive cost base. We intend to continue this strategy of manufacturing in low-cost countries for all of our divisions. We also operate plants in the United States and Western European countries such as France, Italy and the United Kingdom. At the end of 2001, more than 90% of our production facilities in North America, Europe and Asia were certified as ISO 9000, an international mark of service quality.

Consistent with our manufacturing strategy, the majority of goods produced at our North American plants are sold in North America, while our European plants produce goods destined primarily for the European market. However, our manufacturing operations are subject to regional currency fluctuations to the extent that products are manufactured in one country but sold in a country using a different currency. Our Asian plants produce goods for use in all markets. The depreciation of many Asian currencies since 1997 has reduced our manufacturing costs in these plants relative to selling prices.

The table below shows our significant manufacturing facilities by division. We own all of these facilities, except the Chinese facilities, which are on a long-term lease due to local legal requirements, and the Mexicali plant (construction and equipment) is financed through a synthetic lease. In addition, we entered into a sale-lease back transaction in 2001 through our Polish subsidiary which transfers ownership of tube manufacturing equipment. We also lease our Boulogne and Indianapolis office buildings. For more information on these leases, please see Note 23 to our consolidated financial statements.

Principal Manufacturing Units

<u>Location</u>	<u>Division</u>	<u>Products</u>
Americas:		
Marion (Indiana) ⁽¹⁾	Displays and Components	Tubes
Circleville (Ohio)	Displays and Components	Glass funnels, panels
Juarez (Mexico)	Consumer Products	Televisions
Camarillo (California)	Digital Media Solutions	DVD, CD & VHS videocassettes
Livonia (Michigan)	Digital Media Solutions	VHS videocassettes
North Hollywood (California)	Digital Media Solutions	Film
Belo Horizonte (Brazil)	Displays and Components	Guns
Mexicali (Mexico)	Displays and Components	Tubes
Europe:		
Angers (France)	Consumer Products	Televisions
Bagneaux (France)	Displays and Components	Glass panels, funnels
Anagni (Italy)	Displays and Components	Tubes
Piaseczno (Poland)	Displays and Components	Tubes
Zyrardow (Poland)	Consumer Products	Televisions
West Drayton (UK)	Digital Media Solutions	Film

On March 12, 2002, we issued convertible, exchangeable bonds due 2008 with an aggregate principle amount of approximately € 600 million. We describe our intended use of the proceeds of this offering in more detail below in "— Liquidity and Capital Resources."

Outlook for 2002

In line with the yearly performances achieved over the past three years and consistent with our development strategy, our target is to achieve in 2002 double-digit growth in our net sales and operating income.

We intend to continue in 2002 the cost control measures we implemented in the second half of 2001. In this way we intend to maintain our focus on profitability while positioning ourselves to react to a market upturn.

We believe that we should benefit in 2002 from new internal and external growth initiatives, notably the development of our digital decoder activities and the development of our entertainment and media professionals client base through our Digital Media Solutions division. In order to continue the implementation of our repositioning strategy across the entire video chain, we intend to continue to make selective acquisitions in 2002. The acquisition of Grass Valley Group, Inc., announced in December 2001, closed on March 1, 2002. In February 2002 we announced the acquisition of Vidfilm International Digital, a California-based international supplier of digital post-production services with revenues under U.S. GAAP of approximately U.S. \$50 million in 2001. In addition, we announced in February 2002 the proposed acquisition of Panasonic Disc Services, a subsidiary of Matsushita Electric, with DVD replication and distribution operations in the United States and Europe. In February 2002 we entered into a non-binding MOU for the acquisition of UGC's screen advertising business in France (Circuit A) and certain other screen advertising businesses in Europe from UGC and other third parties. Finally, we announced on March 12, 2002 the acquisition of Los Angeles, California-based Still in Motion, a privately held DVD compression and authoring service bureau for content creators. Still in Motion specializes in DVD compression, authorizing, regionalization, menu designs and graphics. See also Note 27 to our consolidated financial statements for more information about recent events.

Please note, however, that we can give no assurance that we will be able to achieve these objectives, expectations and goals. Many factors, including market conditions, competitive factors such as pricing, uncertainties relating to future acquisitions, the factors described under "Risk Factors" and other factors could cause our actual results to differ materially from our goals. Please see "Forward-Looking Statements".

Seasonality

Our net sales tend to be higher in the second half of the year than in the first half. This is due to increases in consumer purchases at the time of the year-end holidays. Our consolidated net sales in the second half of 2001 totaled € 5,799 million, representing 55% of our 2001 consolidated net sales, the same proportion as in 2000.

The impact of seasonality has tended to be higher at the operating income level, driven by the fact that fixed costs are spread relatively evenly over the year. Our consolidated operating income totaled € 412 million in the second half of 2001, or 65% of our 2001 consolidated operating income, compared with 69% in the last six months of 2000.

Geographic breakdown of net sales

Based on net sales by destination (classified by the location of the customer), our most important markets are the United States and Europe, accounting for 53% and 29%, respectively, of net sales in 2001, for 53% and 26%, respectively, in 2000 and for 55% and 25%, respectively, in 1999. Asia accounted for 9% of our net sales by destination in 2001 compared with 11% in 2000

ITEM 6 — DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A — Directors and Senior Management*****Board of Directors***

Our management is entrusted to a Board of Directors, which has fifteen members, including thirteen Directors and two *Censeurs* (non-voting Board members). Members of the Board of Directors are appointed for five years, except Directors representing the employees and *Censeurs*, who are appointed for eighteen months. Members of the Board of Directors must hold at least one hundred shares and must resign at the age of seventy, except Directors representing the employees and *Censeurs*.

Among the thirteen Directors currently on our Board, one has been appointed by the French State, two have been elected as independent directors, three have been proposed by Thomson S.A., each of Alcatel, Carlton, DIRECTV, Microsoft and NEC has appointed one Director, pursuant to their original investment agreements in our company, and two have been elected by the employees. The appointment of the two *Censeurs* will be proposed to the shareholders at the next ordinary general shareholders' meeting scheduled to be held on May 3, 2002. The Board of Directors met nine times during 2001.

Board Committees

In March 1999, the Board of Directors formed three advisory committees:

- The Strategy Committee advises the Board of Directors on projects linked to our development (investments and competitiveness), the development of industrial partnerships and the review of draft strategic memoranda of understanding. The Strategy Committee met three times in 2001.
- The People and Organization Committee examines questions relating to the operation of the Board of Directors, management compensation, employee shareholding projects and profit-sharing incentive plans. The People and Organization Committee met three times in 2001.
- The Audit Committee supervises the quality of our accounting and financial statements as well as all control procedures. The Audit Committee met twice in 2001.

The following table shows the names of the members of the Board of Directors, their main occupations, the dates of their initial appointment and the expiration dates of their current term.

<u>Name</u>	<u>Principal Occupation or Employment</u>	<u>Initially Appointed to Board</u>	<u>Term Expires</u>	<u>Other business activities outside Thomson</u>
Directors				
Thierry Breton ⁽¹⁾⁽⁸⁾	Chairman and CEO, Thomson	March 1997	2004	Chairman, Thomson S.A.; Director, AXA, Bouygues Telecom, Rhodia, Schneider Electric S.A., Dexia and la Poste (the French Postal Office)
Pierre Cabanes ⁽³⁾	Chairman, Antée S.A.S.	June 1988	2004	N/A
Frank Dangeard ⁽²⁾	Vice Chairman of the Board and Senior Executive Vice President, Thomson	March 1999	2004	N/A

<u>Name</u>	<u>Principal Occupation or Employment</u>	<u>Initially Appointed to Board</u>	<u>Term Expires</u>	<u>Other business activities outside Thomson</u>
Jacques Dunogu� ⁽¹⁾⁽²⁾	President Europe, Middle East, Asia and India, ALCATEL	March 1999	2004	Director, Alcatel C.I.T., Thal�s S.A., Thirdspace and Nextream
Philippe de Fontaine-Vive ⁽²⁾	Nominated by the French Government. Deputy Director, French Department of Treasury	June 2000	2005	Director, A�roports de Paris, Gaz de France, R�seaux Ferr�s de France, AREVA, Eurom�diterran�e and RATP
Eddy W. Hartenstein ⁽¹⁾⁽³⁾	Senior Executive Vice President, Hughes Electronics Corp.	March 1999	2004	Director and Chairman, DIRECTV Enterprises Inc., DIRECTV International Inc., DIRECTV Merchandising Inc. and DIRECTV Operations, Inc.; Director, Pan Amsat and DIRECTV Latin America
Michael Green	Chairman, Carlton	March 2001	2006	Director, ITV Digital Plc., Independent Television News Ltd. and GMTV Ltd.
Christian Blanc ^{*(1)}	Chairman Merrill Lynch France S.A.	June 2001	2005	Director, CAPGEMINI Ernst & Young, Colace and JC Decaux
G�rard Meymarian	Vice-President TV High-End, Thomson	October 1994	2002	N/A
Jean de Rotaller	Sales Planning Manager, Thomson	October 1994	2002	N/A
Marcel Roulet ⁽²⁾⁽³⁾	Former Chairman- CEO of Thomson S.A., of France T�l�com and of Thal�s S.A.	February 1999	2005	Director, Thal�s S.A. (Thomson S.A. representative), Euraz�c, On-X et CVOIR; Chairman of the Supervisory Board, Pages Jaunes and G�nar Finances
Iwao Shinohara ⁽¹⁾⁽²⁾	Executive Vice President, NEC	September 1999	2004	N/A
Bernard Vergnes ⁽¹⁾⁽³⁾	Emeritus Chairman, Microsoft Europe	March 1999	2004	Director, SA France Finance and Technology

<u>Name</u>	<u>Principal Occupation or Employment</u>	<u>Initially Appointed to Board</u>	<u>Term Expires</u>	<u>Other business activities outside Thomson</u>
Censeurs:				
Emmanuel Caquot ⁽¹⁾	Director, French Ministry of Industry	November 2000 (former Director, March 1999)	2002	Director, INRIA, La Française des Jeux, SFP and Groupe des Ecoles des Télécommunications
Didier Lombard ⁽¹⁾	French Ambassador-at-large, International Investment	November 2000 (former Director, March 1999)	2002	Chairman of International Investments, Agence Française; Director, la Poste (the French Postal Office), censeur, France Télécom

* Mr. Dunogué resigned in February 2002 and has been replaced by Mr. Olivier Houssin. His appointment is to be approved at our next ordinary general shareholders' meeting.

** Mr. Blanc's appointment in June 2001 is to be approved at our next ordinary general shareholders' meeting.

(1) Member of the Strategy Committee.

(2) Member of the Audit Committee.

(3) Member of the People and Organization Committee.

Executive Committee

In accordance with French law and our by-laws, the Chairman of the Board of Directors and Chief Executive Officer (Chairman and CEO) has full authority to manage the Company's affairs and to represent the Company before third parties.

Subject to the powers expressly reserved by law to shareholders' meetings, as well as to those specifically reserved by law to the Board of Directors, the Chairman and CEO is vested with the broadest powers to act on our behalf in respect of our corporate purpose in any and all circumstances.

The Executive Committee is composed of fifteen members and includes heads of key operational units. The Executive Committee meets every month.

The tables below indicate the names of the members of the Executive Committee, their current responsibilities within the Group and the dates of their initial appointment.

<u>Name</u>	<u>Responsibility</u>	<u>Initially appointed</u>
Principal members of the Executive Committee		
Thierry Breton	Chairman and CEO	1997
Al Arras	Senior Executive Vice President, Audio and ATLINKS	1997
Frank Dangeard	Senior Executive Vice President, Vice Chairman	1997
Charles Dehelly	Senior Executive Vice President, Chief Operating Officer	1998
John Neville	Senior Executive Vice President, Patents and Licensing, New Media Services (acting)	1993
Lanny Raimondo	Senior Executive Vice President, Digital Media Solutions	2001

<u>Name</u>	<u>Responsibility</u>	<u>Initially appointed</u>
Other members of the Executive Committee		
Olivier Barberot	Senior Vice President, Human Resources	1997
Jean-Charles Hourcade	Senior Vice President, Research and Innovation	2000
Patrice Maynial	Senior Vice President, Corporate Secretary and Legal Counsel	1997
Eric Meurice	Executive Vice President, TV/Video	2001
Marc Meyer	Senior Vice President, Communication and Entrepreneurship	2000
Mike O'Hara	Executive Vice President, Consumer Products Marketing and Sales	1999
Enrique Rodriguez	Executive Vice President Broadband Access Products	1999
Gilles Taidu	Executive Vice President, Displays and Components	1997
Julian Waldron	Senior Vice President, Chief Financial Officer	2001

Management Biographies

Principal Members of the Executive Committee

Thierry Breton was appointed Chairman and Chief Executive Officer of THOMSON multimedia and Thomson S.A. in March 1997. From November 1993 to March 1997, Mr. Breton was a member of the Executive Committee of the Bull Group, a French computer and information technology company. He was appointed Vice-Chairman of the Bull Group in November 1995. From 1990 to March 1993, he was Chief Executive Officer of CGI, a French services development company. From 1986 to 1990, he was Chief Executive Officer of Futuroscope, a French theme park. From 1981 to 1986, he was Chief Executive Officer of Forma Systems, a systems analysis and software engineering firm. Mr. Breton is a graduate of *Supélec Paris*, and of the 46th session of IHEDN (French Institute for Higher National Defense Studies).

Al Arras was appointed Senior Executive Vice President, Audio and ATLINKS in March 2001. Since July 1997, he was Chief Operating Officer and Executive Vice President for Audio and ATLINKS. He has also been responsible for the Worldwide Internet Device and e-business, or WIDe, program, since June 1999. From October 1995 to July 1997, Mr. Arras served as Vice President for Manufacturing Operations in Asia. From January 1993 to October 1995, he was Vice President for Audio and Communications. Between 1980 and 1993, he held various management positions in the Audio Division as Vice President of the Audio Division, Vice President for Home Audio Systems, Hi-Fi General Manager, Business Development Manager for Audio and Communications, Audio Market Manager, Tape Manager, Market Development Manager and Product Manager. Mr. Arras is a graduate of Cornell University.

Frank Dangeard was appointed Vice Chairman of the Board Thomson in July 2001. He has been Senior Executive Vice President in charge of Corporate Coordination since 1997. Mr. Dangeard was also appointed Senior Executive Vice President of Thomson S.A. in April 1997. From September 1989 to April 1997, Mr. Dangeard was a Managing Director of SBC Warburg, an investment bank, and from June 1995 to April 1997 he was also Chairman of the Board of SBC Warburg (France). From September 1986 to June 1989, he practiced law as an associate at Sullivan & Cromwell in New York and London. Mr. Dangeard is a graduate of the *École des Hautes Études Commerciales* and the *Institut d'Études Politiques de Paris*. He also graduated from the Harvard Law School.